

1 Amend 2 Cal. Code of Regs. section 18707 as follows:

2 **§ 18707. Public Generally.**

3 (a) Introduction.

4 Notwithstanding a determination that the reasonably foreseeable financial effect of a
5 governmental decision on a public official's economic interests is material, a public official does
6 not have a disqualifying conflict of interest in the governmental decision if the official can
7 establish that the governmental decision will affects the public official's economic interests in a
8 manner which is indistinguishable from the manner in which the decision will affect the public
9 generally as set forth in ~~Title 2, California Code of Regulations,~~ 2 Cal. Code of Regs. sections
10 18707.1 – 18707.9.

11 (b) Steps to Determine Application of Public Generally. To determine if the effect of a
12 decision is not distinguishable from the effect on the public generally as set forth in subdivision
13 (a) of this regulation, apply Steps One through Four:

14 (1) Step One: Identify each specific person or real property (economic interest) that is
15 materially affected by the governmental decision.

16 (2) Step Two: For each person or real property identified in Step One, determine the
17 applicable "significant segment" rule according to the provisions of ~~Title 2, California Code of~~
18 ~~Regulations,~~ 2 Cal. Code Regs. section 18707.1(b).

19 (3) Step Three: Determine if the significant segment is affected by the governmental decision
20 as set forth in the applicable "significant segment" rule. If the answer is "no," then the analysis
21 ends because the first prong of a two-part test set forth in ~~Title 2, California Code of Regulations,~~
22 2 Cal. Code Regs. section 18707.1(b) is not met, and the public official cannot participate in the
23 governmental decision. If the answer is "yes," proceed to Step Four.

1 (4) Step Four: Following the provisions of ~~Title 2, California Code of Regulations, 2 Cal.~~
2 Code Regs. section 18707.1(b)(2), determine if the person or real property identified in Step One
3 is affected by the governmental decision in “substantially the same manner” as other persons or
4 real property in the applicable significant segment. If the answer is “yes” as to each person or
5 real property identified in Step One, then the effect of the decision is not distinguishable from the
6 effect on the public generally and the public official may participate in the decision. If the
7 answer is “no” as to any person or real property identified in Step One, the public official may
8 not participate in the governmental decision unless one of the special rules set forth in ~~Title 2,~~
9 ~~California Code of Regulations, 2 Cal. Code Regs.~~ sections 18707.2 through 18707.9 applies to
10 each person or real property triggering the conflict of interest.

11 (c) For purposes of Government Code section 87102.5 (Members of the Legislature) and
12 Government Code section 87102.8 (elected state officers), Government Code section
13 87102.6(b)(2) applies.

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15 NOTE: Authority cited: Section 83112, Government Code

16 Reference: Section 87103, Government Code.